



BUDGET COMMITTEE



Judd Gregg, Ranking Member
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Senator Gregg: Medicare Savings Should be Used to Save Medicare

Gregg to Offer Medicare Amendment to Reconciliation Bill

Senator Judd Gregg (R-NH), ranking member of the Senate Budget Committee, will offer an amendment to the reconciliation bill to require that any Medicare savings from the new Democratic health care law and the reconciliation bill be used to shore up the already insolvent Medicare program – not expand or create new entitlements at the expense of Medicare beneficiaries.

“Medicare should not be used as a piggy bank to finance new entitlement spending and a massive expansion of government,” said Senator Gregg. “The new health care law and the reconciliation bill combined raid Medicare by more than \$500 billion over the first 10 years. If these cuts do occur, then the money needs to go toward saving Medicare, which already has a staggering \$38 trillion unfunded liability. We should not be financing this new health care entitlement program on the backs of seniors.”

The Democratic health care package raises Medicare payroll taxes and cuts Medicare benefits. The cuts will total \$529 billion over the first 10 years (2010-2019) and \$2.4 trillion over the subsequent decade (2020-2029). Democrats have tried to double-count the Medicare cuts, by claiming that they will be used to both shore up Medicare AND offset new spending. After reviewing the legislation, the Congressional Budget Office concluded on March 19:

“In effect, the majority of the [Hospital Insurance] trust fund savings under H.R. 3590 and the reconciliation proposal would be used to pay for other spending and therefore would not enhance the ability of the government to pay for future Medicare benefits.”

“Democrats are trying to have it both ways, but they can’t,” said Senator Gregg. “The end result is that more money will have to be borrowed from our children to cover the difference. Without double-counting Medicare savings and other budget gimmicks in the health package, the Democrats’ health care plan will increase the deficit by \$618 billion over the first 10 years and \$1.8 trillion over the second 10 years. I urge my colleagues to protect Medicare beneficiaries from this gimmickry and ensure that Medicare savings are used to save Medicare.”